



# House of Representatives

General Assembly

**File No. 236**

February Session, 2018

House Bill No. 5286

*House of Representatives, April 5, 2018*

The Committee on Planning and Development reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT ESTABLISHING A MUNICIPAL OPTION TO PROVIDE  
PROPERTY TAX RELIEF TO CERTAIN RESIDENTS WITH HOMES  
DAMAGED BY NATURAL DISASTERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1      Section 1. (NEW) (*Effective July 1, 2018*) Notwithstanding the  
2      provisions of section 12-64a of the general statutes, any municipality  
3      may, by vote of its legislative body or, in a municipality where the  
4      legislative body is a town meeting, by vote of the board of selectmen,  
5      establish a program to provide property tax relief for residents of such  
6      municipality who are unable to live in real property owned and  
7      occupied by such residents due to (1) damage to such property caused  
8      by a natural disaster, or (2) displacement from such real property  
9      caused by the declaration of a state of emergency under the provisions  
10     of state or federal law.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2018</i>	New section
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***PD****Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:***

Municipalities	Effect	FY 19 \$	FY 20 \$
Various Municipalities	Grand List Reduction	Potential	Potential

### ***Explanation***

The bill results in a grand list reduction to municipalities that choose to provide property tax relief to certain homeowners. A grand list reduction results in a shift in a municipality's tax burden away from program participants.

The impact will vary based on the eligibility requirements and benefit levels a municipality chooses to adopt.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to municipal grand lists and mill rates.

**OLR Bill Analysis****HB 5286*****AN ACT ESTABLISHING A MUNICIPAL OPTION TO PROVIDE PROPERTY TAX RELIEF TO CERTAIN RESIDENTS WITH HOMES DAMAGED BY NATURAL DISASTERS.*****SUMMARY**

This bill authorizes municipalities, by vote of their legislative bodies (or board of selectmen where the town meeting is the legislative body), to establish a property tax relief program for owner-occupants of residential property who are displaced by (1) damage to the property by a natural disaster or (2) a state or federal emergency declaration.

Under current law, municipalities have limited options for providing tax relief to homeowners (see BACKGROUND).

EFFECTIVE DATE: July 1, 2018

**BACKGROUND*****Municipal Option Tax Relief***

Existing law gives municipalities the option of providing limited property tax relief to homeowners based on their (1) income, (2) age or disability, or (3) veteran or emergency personnel status. Additionally, municipalities can abate the taxes on certain classes of property, including structures of historical or architectural merit or with certain accessibility features.

***Special-Case Reassessments***

Existing law requires municipalities to assess all property for taxes on October 1 annually, but also requires them to conduct interim reassessments of residential property in several circumstances: (1) for new construction, (2) when property damage requires complete demolition or reconstruction, and (3) for houses with foundations

made from defective concrete (CGS §§ 12-53a, 12-64a, and 29-265d).

**COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable

Yea    20    Nay    2    (03/16/2018)